

Sec. 2. Section 455D.11A, Code 1997, is amended by adding the following new subsection:

**NEW SUBSECTION.** 8. All requirements for financial assurance provided for in this section shall become effective July 1, 1998.

Approved April 18, 1997

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## CHAPTER 54

### SALES AND USE TAX EXEMPTIONS — PRODUCTS USED IN AGRICULTURAL PRODUCTION

S.F. 30

**AN ACT** relating to the exemption from sales, services, and use taxes of adjuvants and surfactants used to enhance the application of fertilizers, limestone, herbicides, pesticides, and insecticides in agricultural production and providing effective and retroactive applicability date provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 422.42, subsection 14, Code 1997, is amended to read as follows:

14. "Retail sale" or "sale at retail" means the sale to a consumer or to any person for any purpose, other than for processing, for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with taxable services; and includes the sale of gas, electricity, water, and communication service to retail consumers or users; but does not include agricultural breeding livestock and domesticated fowl; and does not include commercial fertilizer, agricultural limestone, herbicide, pesticide, insecticide, including adjuvants, surfactants, and other products directly related to the application enhancement of those products, and food, medication, or agricultural drain tile, including installation of agricultural drain tile, any of which are to be used in disease control, weed control, insect control, or health promotion of plants or livestock produced as part of agricultural production for market; and does not include electricity, steam, or any taxable service when purchased and used in the processing of tangible personal property intended to be sold ultimately at retail. When used by a manufacturer of food products, carbon dioxide in a liquid, solid, or gaseous form, electricity, steam, and other taxable services are sold for processing when used to produce marketable food products for human consumption, including but not limited to, treatment of material to change its form, context, or condition, in order to produce the food product, maintenance of quality or integrity of the food product, changing or maintenance of temperature levels necessary to avoid spoilage or to hold the food product in marketable condition, maintenance of environmental conditions necessary for the safe or efficient use of machinery and material used to produce the food product, sanitation and quality control activities, formation of packaging, placement into shipping containers, and movement of the material or food product until shipment from the building of manufacture. Tangible personal property is sold for processing within the meaning of this subsection only when it is intended that the property will, by means of fabrication, compounding, manufacturing, or germination become an integral part of other tangible personal property intended to be sold ultimately at retail; or will be consumed as fuel in creating heat, power, or steam for processing including grain drying, or for providing heat or cooling for livestock buildings or for greenhouses or buildings or parts of buildings dedicated to the production of flowering, ornamental, or vegetable plants intended for sale in the ordinary

course of business, or for generating electric current, or in implements of husbandry engaged in agricultural production; or the property is a chemical, solvent, sorbent, or reagent, which is directly used and is consumed, dissipated, or depleted, in processing personal property which is intended to be sold ultimately at retail or consumed in the maintenance or repair of fabric or clothing, and which may not become a component or integral part of the finished product. The distribution to the public of free newspapers or shoppers guides is a retail sale for purposes of the processing exemption.

Sec. 2. Refunds of taxes, interests, or penalties which arise from claims resulting from the enactment of the amendment to section 422.42, subsection 14, in this Act, for sales and uses occurring between April 1, 1990, and June 30, 1997, shall be limited to twenty-five thousand dollars in the aggregate and shall not be allowed unless refund claims are filed prior to October 1, 1997, notwithstanding any other provision of law. If the amount of refund claims totals more than twenty-five thousand dollars in the aggregate, the department of revenue and finance shall prorate the twenty-five thousand dollars among all claimants in relation to the amounts of the claimants' valid claims.

Sec. 3. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to April 1, 1990, for sales made or uses occurring on or after that date.

Approved April 22, 1997

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## CHAPTER 55

### WATER AND ICE VESSEL ACCIDENT REPORTS

S.F. 95

AN ACT relating to water and ice vessel accident reports filed with the natural resource commission of the department of natural resources and providing for an effective date and the Act's applicability.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 462A.7, subsection 2, Code 1997, is amended to read as follows:

2. Whenever any vessel is involved in a collision, accident or casualty, except one which results only in property damage not exceeding ~~one~~ five hundred dollars, a report thereof shall be filed with the commission. The report shall be filed by the operator of the vessel and shall contain such information as the commission may, by rule, require. ~~Said~~ The report shall be submitted without delay in death or disappearance cases and within five days in all other cases.

Sec. 2. Section 462A.7, subsection 4, Code 1997, is amended to read as follows:

4. a. All reports shall be in writing, ~~and the written report shall be without prejudice to the individual so reporting and.~~ A vessel operator's report shall be without prejudice to the person making the report and shall be for the confidential use of the commission department. However, upon request the ~~commission department~~ shall disclose the identities of the persons on board the vessels involved in the occurrence and their addresses. Upon request of a person who made and filed a vessel operator's report, the department shall provide a copy of the vessel operator's report to the requestor. A written vessel operator's report filed with the ~~commission department~~ shall not be admissible in or used in evidence in any civil or criminal action arising out of the facts on which the report is based.